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1995/01/00

SIDE BY SIDE REVIEW OF THE COMMERCIAL SPACE LAUNCH AGREEMENTS

Frepared by Toldenburg State Department (202)647-2842 U.S. - PRC
COMMERCIAL
SPACE LAUNCH
AGREEMENT

U.S. - RUSSIAN COMMERCIAL SPACE LAUNCH AGREEMENT

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Government of the Russian Federation (hereinafter the "Parties"), Recalling the contributions of all space-faring nations in The Government of the United States of America and the developing space leunch industries,

Taking note of the importance of access to space for

peaceful purposes,

principles for government involvement in commercial space leanth Recognizing the utility of developing multilateral activities,

Bearing in mind that the Russian space launch sector is in the process of transition to operation based on market principles, and

offer commercial space launch services to international customers at fair and ressonable prices, consistent with merket principles; including its space-launch sactor; permits Aussian antities to international commercial space launch market in a manner that and does not disrupt the internetional market for connercial ancourages market-oriented reform in the Bussian economy, Desiring to facilitate early Aussian entry into the space launch services,

Have agreed se follows:

Commercial Space Launch Agreement (CSLA)

- Statement is appropriate in that this is the first CSLA with Russia
- Specifies launch services to "international customers" early in the Agreement 2

HENDAMBUR OF AGREENENT BETWEEN THE COVERHENT OF THE VUNITED STATES OF AMBIGA AND THE COVERNENT OF THE FOCIET'S REPUBLIC OF CHIMA RECARDING INTERMATIONAL THADE IN COMMERCIAL LAUNCH SERVICES

PURPOSE

:

2

The Government of the United States of America (U.S.) and the Covernment of the People's Republic of Ching (1947) have cuteted into this Memotandum of Agreenent (Agreenent), of which the attached Annex is an integral part, to address certain issues regarding international trade in commercial taunch services including entry in an appropriate manner of the PRC into the international market for conneccial launch services

11. TREDE ISSUES AND HARKET ENTRY

negotistions in Beljing and Mashington, U.C. As a result of these discussions, the pacties have agreed that certain measures ate appropriate to address certain issues regarding international trade in commercial launch services, including entry in an spotoptiate manner of PRC providers of conneccial launch into the Delegation of the United States of America held two founds of International market for commercial launch services. Accordingly, The Delegation of the People's Republic of China the U.S. and the PAC have agreed as follows:

launch services, including the evoldance of below-tost pritcing, The U.S. and the PRC support the application of satket principles to Internetional competition among providers of connercial

Clear statement of purpose

_ 2.

- Definitions are outlined in an attached Annex vice an article in;the Agreement (Reference Russian CSLA)
- Appropriate for first agreement but not for follow-on agreement ς.
- Reads more like a reporting cable instead of a formal agreement

. . for the purposes of this Agramant, DEFINITIONS AATICLE 1

- consercially offered or provided services to launch into space any apacecraft or setellite, including but not limited to communications satellites, for an international customery "Consercial space launch services" neens the
 - commercial space launch services or the space launch vehicles for paraitted by the Government of the Aussian Federation to provide "Russian space launch service providers" seans any antity, or agent or instrumentality acting on its behalf, such services.
- 3. "International customer" means: 6:3 person; or any kind governmental body, excluding the Government of the United States intergovernmental organization or quasi-governmental consortium, of America and the Government of the Aussian Federation; or any spacecraft or satallite to orbit for use by such ultimate owner of corporation, company, essociation, venture, partnership, or operator of a spacecraft or satellite or that will deliver the other entity, whether or not organized for pecuniary gain, or including but not limited to INTLIAT, INMARAT and their ' respective legal successors, that is the ultimate owner or privately or governmentally owned or controlled; or any
- provision of comercial space launch services such that a launch *Contract* means (1) to agree or commit to the

ę.

Definitions are outlined within the text of the Agreement

- Specifically does not limit communication satellites
- In the PRC CSLA there is no comparable definition for "Chinese space launch service providers"
- outlined in the PRC CSLA 9



government indusponts, and untain trade practices.

(s) Among these steps, the PRC shall ensure that any direct or indirect government support extended to its providers of commercial launch services is in accord with practices prevailing in the international market.

prices, terms, and conditions prevailing in the international prices, teras, and conditions which are on a par with those (ii) The PMC shall require that its providers of commercial launch services offer and conclude any contracts to provide commercial launch services to international customers at market for comparable commercial launch services.

prices will not be offered for launches on the Long Match (111) The PRC agrees that it will prevent its providers of promotional pricas for launch services except for the first or, in extraordinary circumstances, second successful connercial launch of a new launch vehicle. In this regard, proactional IIE or III under any contract other than the contract for The PRC agrees to require its launch service of conneccial launch services from offering introductory or the successful launch of the Aussat B-1 and B-2 satellites.

- ς. vice an Annex as in the China CSLA
- The emphasis here is "contract" vice "committment" as
- Outlines specifically PRC actions (PRC shall) vice "the Parties shall" as in the Russian CSLA
- "Contract" is not defined in the PRC Agreement unlike the Russian CSLA ė.
- Pricing and terms that are "on a par" vice specific percentage as in the CSLA (Russian)
- "Comparable commercial launch services" is not defined φ.
- "Promotional pricing" is not included in Russian CSLA 6

s affectively removed from compatition in the international market, or [ii] any such agreement or compitment.

g, "comparable consercial space launch services" seens consercial appear launch services effered to launch a spacecraft of the veight olses that is the aubject of a launch compatition. Eaking into consideration specific factors that may be considered when avaluating the price, terms and conditions of such asrvices. Including, but not limited to, intended orbit, risk management, ginanding, establite lifetime on orbit and integration costs.

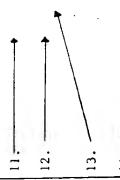
6. sinducasents" means any incentive offered or provided to influence the purchase of coarsacial apace leanch services. Including, but not limited to, the provision of any resources of commercial value unrelated to the leanch service compatition as well as offers to participate under favorable conditions in the implementation of defense and national security policies and progress, and development essistance policies and progress.

7. "Unfair business practices" includes the saking of any differ, a payment, a prosise to pay, a prosise or offer of anything set value or to authorize the payment of anything of value, or any prosise to make such payment, to any official, individual, or any other antity for the purpose of obtaining or setsining business for or with, or directing business to, any parson; including making payment to a person while knowing that all or a portion of the payment will be offered, given or prosised, directly or includual or

Inducance providers to offer international customers any insurance or reflight guarantees on a par vith prevaiting rates and practices in international markets for comparable risk.

Animal applicated by several countries, the fact explanaes its understanding. The PRC explained that: China his a limited capability of manufacturing launch vehicles. In addition to meeting the needs of domestic Chinase satellite launches, its providers of commercial launch services are only able to office a limitated number of communications satellite launches each year for international customers. Chinase launch services, therefore, are only a supplement to the world market, providing international customers with a new option.

After mutual and felendly consultations, the U.S. and the DE agreeds



(1) PRC providers of connected launch services shall not launch more than 9 ov - feations satellites for international customers (12.1. 1.1.9) the two AUSSAT and one ASIASAT satellites) during the period of this Agreement, and

([[] The PRC shall require that any commitments to provide commercial launch services to international customers by PRC launch service providers are proportionately distributed over the period of the Agreement. To this and, the PRC shall prevent a dispruportionale

- 7. "Comparable commercial space launch service" is unique to Russian CSLA in that it has definition. It is only mentioned in the PRC CSLA in Art II(b)(ii)
- 8. "Unfair business practices" is not defined in the PRC CSLA
- 10. China is working on 5 new launch designs that may be used during the follow-on Agreement
- . China shall not "launch" vice "contract for launch" Russian CSLA
- 2. Launches must occur during the Agreement, unlike the Rossian CSLA
- 3. Specification of "a communication satellites"; a vice (Russian CSLA); emphasis on COMSATS; no exceptions mentioned; no mention of dual-manifesting
- . "Proportionately distributed" vice "no more than 2 per 19 month period"

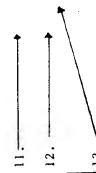
is effectively removed from compatition in the international market, or (ii) any such agreement or commitment.

- operators appearance connected to sound excitos soons operated connects space launch services effered to launch a spacecraft of the weight oless that is the subject of a launch competition. Eaking into consideration specific factors that may be considered when evaluating the price, terms and conditions of such services including, but not limited to, intended orbit, risk management, financing, setallite lifetime on orbit, and integration costs.
- 6. Finducesents beens any incentive offered or provided to incluence the purchase of commercial space launch services, including, but not limited to, the provision of any resources of commercial value unrelated to the launch service competition as well as effere to perticipate under favorable conditions in the implementation of defense and national security policies and programs, and development assistance policies and programs.
 - 7. suntair business practices. Includes the making of any offer, a payment, a promise to pay, a promise or offer of anything of value or to authorise the payment of anything of value, or any promise to make such payment, to any official, individual, or any other entity for the purpose of obtaining or retaining business for or vith, or directing business to, any person, including making payment to a person while knowing that all or a portion of the payment vill be effered, given or promised, directly or indirectly, to any official, individual or

insurance providers to offer international customers any insurance or ceflight quarantees on a par with prevailing cates and practices in international parkets for comparable class.

In view of the concerns about the launch accounts while expressed by several countities, the FaC explained that: China his a limited capability of manufacturing launch vehicles. In addition to mreting the needs of domestic Chinase satellite launches, its providers of commercial launch services are only able to offer a limited number of communications satellite launches each year for international customers. Chinase launch services, therefore, are only a supplement to the world market, providing international customers with a new option.

After mutual and friendly consultations, the U.S. and the PEC agreed:



(i) PRC providers of connectial launch services shall not launch more than 9 communications satellites (or international customers (including the two AUSSAT and one ASIASAT satellites) during the period of this Agreement, and

(ii) The PRC shall require that any committents to provide: commercial launch services to international customers by PRC launch service providers are proportionataly distributed over the period of the Agreement. To this end, the PRC shall prevent a disprenentionate

- 7. "Comparable commercial space launch service" is unique to Russian CSLA in that it has definition. It is only mentioned in the PKC CSLA in Art II(b)(ii)
- 8. "Unfair business practices" is not defined in the PRC CSLA
- 10. China is working on 5 new launch designs that may be used during the follow-on Agreement
- 11. China shall not "launch" vice "contract for launch" Russian CSLA

Launches must occur during the Agreement, unlike the

Russian CSLA

- 3. Specification of "a communication satellites"; a vice (Russian CSLA); emphasis on COMSATS; no exceptions mentioned; no mention of dual-manifesting
- .4. "Proportionately distributed" vice "no more than 2 per 12 month period"

any other entity for the purposes of obtaining or retaining

business.

. 6 one Earth orbit in a 24-hour period, holding a fixed position 💠 approximately 10,400 nautical miles (35,900 kilometers) above the surface of the serth at the equator in which a payload completes "Geosynchronous serth orbit" means an orbit relative to the Earth. .**:**

"Georgnchronous transfer orbit" means a temporary orbit used to reposition a spacecraft or estallite into a

quesynchronous Earth orbit.

1,000 nautical miles (185 to 1,850 kilometers) above the surface 16. "Low earth orbit" neens an orbit approximately 100 to

of the Earth.

satellite or, in the absence of a telecommunications setallite, 11. *Principal psyload* means a telecommunications any other apecadraft or combination of apacecraft.

10.

וו איזואין

apace launch services for launches to other orbits and suborbital payloads for military purposes or for use in the non-commercial, This Agreement applies to consercial space launch services for launches to geosynchronous earth orbit or geosynchronous Article V, paragraph 2, this Agreement applies to commercial launches. Mothing in this Agreement applies to launches of

Agreement more than twice the average annual number of commercial launch services to international customers which would inducements of any kind in connection with the provision of commercial launch services to international customers which vould in any 3-year period of the Agreement consistent with any time to launch in any calendar year covered by the launches permitted under aubjeregraft (1] above. The PRC shall seek to ensure that PRC launches of communications satellites for international customers, see performed as scheduled in the original launch consitnent. the U.S. stated that the U.S. does not provide government inducements of any kind in connection with the provinton of create discrimination against launch Bervice providers of other nations and has no intention of providing such inducements in the future. Accordingly, the PAC stated it agreed not to offer period of the Agreement. The PAC may make consithents subparagraph (1) above. The PAC shall also require that PRC launch service providers thall not cossit at create discrimination against launch service providers of other concentiation of such consituents during any tworyes nations. ÷ . . 16.

111. HOM-DISCRIBINATION

The U.S. stated that U.S. providers of connectial launch services do not discriminate unfairly against any international customers or suppliers and that it is not U.S. Government policy

- Definition given to GEO, GTO, LEO and Principal Payload, 6
- It also recognizes the possibility of double manifesting. other than COMSATS, Principal payload gives definition t 10.
- Noted exception to the pricing standard (7.5%) for launches to other orbits and sub-orbital launches Ξ:
- "Anti-bunching" provision is different from that outlined in the Russian CSLA 15.
- This paragraph would be better stated as outlined in Article, II of the Russian CSLA 16.
- In the Russian CSLA it indicates both "international customers" or "potential international customers" 17.

sectivilian space progress of either Party, including progress using spacecraft or satallites sade by and prisarily for the use of season of the Consomerable of Independent States and which are axented in accordance with extering cooperative agreements.

ARTICLE III GEMERAL PRINCIPLES

- 1. The Parties shall endeavor to ensure the application barket principles to international cospetition among providers of commercial space launch services, including the avoidance of below-cost pricing and unfair trade practices.
- 2. Meither Party shall angage in practices that distort competition among providers of commercial space launch services, including, but not limited to:

 A the provision of grants or subsidies that distoit the
- teunch Tyteles.

 b. the provision of inducesents to international custosers or potential international customers for consercial space launch services;

production or operation costs for suppliers of commercial space

o. the offering of additional services such as insurance or reflight guarantees except on a per vith prevailing rates and practices in international markets for comperable risk;

d. the provision of government-supported finanding for commercial space launch vahioles or services except in accord

13.

- practices in international markets for comparable tisk;

 d. the provision of government-supported financing for commercial space launch vahicles or services except in accord
- 12. Unique provision to the Russian CSLA that specifically exempts payloads for military purposes, non-commercial civilian space programs, and satellite primarily to support the CIS.
- 13. Only statement of "on a par" in the CSLA

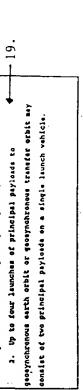
- to encourage any such unfair discrimination by U.S. providers of consercial launch services.
- Accordingly, in implementing its consituents under this Agreement, the PAC shall require that its providers of connected launch services not discriminate unfairly against any incernational customers or auppliers.

IV. COMSULTATIONS

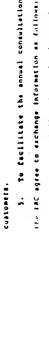
- 1. The PRC and U.S. will consult annually with respect to the cobligations in this Agreement and related matters, including the nature and extent of direct and indirect government support provided to commercial launch services providers and developments in the international market for commercial launch services.
 - In addition, each patty underlakes to enter into consultations within thirty (30) days of a request by the other party to discuss matters of particular concern.
- 3. During annual consultations, the limitation on the total number of communications satellites that may be launched by PAC providers of consercial launch services may be reconsidered upon request of the PAC in light of unforescen developments in the commercial launch services market. A U.S. decision on such a request shall be made within thirty (30) days after the completion of the annual consultations.
- 4. The U.S. and the PRC agree to work toward a common understanding of the application of market principles to prices, takes, and conditions of connectial launch services for international

- 18. Special consultation isn't specifically called out except that each party undertakes to enter consultations within 30 days (unspecified in Russian CSLA) upon request
- 19. Russian CSLA is a clear formulation of the actions needed to increase the quota (Article VII (4). (Note emphasis on communication satellites in PRC CSLA.)

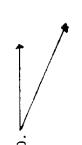
------16. 17. - 19. 8 5. proganization, subject to its jurisdiction whather or not owned or instrumentalities, shall not engage in unfair business prectices practices to secure contracts to provide commercial space launch During the term of this Agreement, Russian space launch to secure contracts to provide commercial space launch services. provide commercial space launch services for the launch of up to providers may not conduct more than two (2) such launches in any controlled by that Party, shall not engage in corrupt business service providers may contract with international customers to proportionate distribution of contracts by Russian space launch geoeynchronous earth orbit or geosynchronous transfer orbit may transfer orbit, except that the Russian space launch service eight (8) principal payloads (in addition to the INCLASAT) with the terms of the OCCD's "Arrangement on Guidelines for Each Party shall also endsavor to ensure that any entity or tvalve-month period. The Russian Pederation vill ensure a satellita; to geosynchronous earth orbit or geosynchronous 1. Up to four launches of principal payloads to The Parties, Including their agents and service providers within any two-year period, **GOAPTITATIVE LIKITE** Officially-supported Export Credits.* services.



- Would this same provision referencing OECD's "Arrangement on Guidelines for officially-supported Export Credits" be applicable to a PRC CSLA
- Contract for launch vice launch as outlined in the PRC 15.
- Specifies 8 "principal payloads" to GEO vice COMSATS 16.
- Exclusion of INMARSAT 3 17.
- Anti-bunching provision 18.
- Recognized possible double manifesting and allows up to four launches with two principal payloads each 19.



5. To facilitate the annual consultations, the U.S. and



- preveiling in the international market for connected laumin it possesses with respect to prices, terms and conditions (a) The U.S. shall each year in advance of such consultations provide to the PRC such publicly retrassible information as
- prices, terms, and conditions offered by PAC providers of licensed by the U.S. The PRC may also provide other information that it believes may have a material effect on pricing (b) The PRC shall each year in advance of such consultations provide comprehensive information to the U.S. regarding connercial launch services for the launch of satellites practices of PRC providers of connercial launch services.
- and likely future developments, as well as government supports or inducements. The U.S. shall respond to such requests within thirty (10) days. If such information cannot be provided directly because of business confidentiality, the U.S. views regarding prevailing international market conditions prices, terms and conditions, and may in addition request (c) The PRC may request that the U.S. provide additional publicly releasable information with respect to international U.S. shall provide such information in summary form.

21

- (d) The U.S. may request additional information with respect to the prices, terms, and conditions offered by PRC providers
- In practice did each party provide information prior to the annual consultations? 20.
- Russian CSLA (Art VII(1)) provides a better formulation of how and when information should be exchanged 21.

The Parties shall jointly evaluate each such launch on a cese-bygase besis and, taking into account the current mituation in the International compercial opace launch market, may decide by mutted agreement to treat that lounch as a single principal payload for the purpose of Article IV, perserabl 1.

20. sarvice providers say contract to provide cossercial space leunch 1. During the term of this Agreement, Russian space launch

21. -22.peregraph 1, the Parties shall consider jointly on a case-by-case space launch service providers for commercial suborbital launches low-earth orbit for the Iridius system, where there are competing sarvices for up to three (3) leunches of satallites to low earth geosynchronous earth orbit, qeosynchronous trensfer orbit, and basis and decide by mutual agreement on proposals by Auselan 4. In the course of consultations under Article VII, and additional commercial launches to orbits other then comparable dommeroial space lsunch services. orbit for the Iridius system.

prices, for comperable consercial space leanch services offered 🛻 price, of commercial space launch services offered or provided by Aussian apade leunch service providers to international dustomers The contractual terms and conditions, including the shall be comparable to the terms and conditions, including

23.

23.

6. The U.S. and the PAC shall also provide each year. In advance of annual consultations information on a consolidated basis concerning the commitments their launch service providers have undertaken to provide connercial launch scruices for international customerd. This information may be made publicly available.

(e) The U.S. and the PAC shall keep all information seceived from each other under this paragraph strictly contidential

PAC shall provide such information in summery form.

and shall not provide it to any other government or any

private person without the written consent of the other. .

of commercial launch sarvices and any PAC government auphores or inducements. The PRC shall respond to such requests within thirty (30) days. If such information cannot be provided directly because of business confidenciality, the

7. If a haunch of a consunications natellite for an international customer will not be performed as scheduled, the PRC shall notify the U.S. regarding the reasons for the delay and the new date for the launch as soon as possible.

It is understood that the U.S. and the PRC will seview the information contained in this Article during annual consultations in the context of developments in the international market for commercial launch services.

V. CLARIELCATION OF RIGHTS AND COLICATIONS

If, after friendly consultations with the FMC, the U.S. determines that there is elear evidence that the provisions of

Exclusion of three launches of Iridium satellites to LEO

Unlike the PRC CSLA, this Agreement acknowledges LEO aunches and treats them on a case-by-case basis Important caveat that distinguish whether a LEO launch will have to be addressed by both Parties 22.

"Comparable commercial space launch services" is defined in Article 1. 23.

Provision outlined in para IV(6) is not in the Russian CSLA 22.

Provision outlined in para IV(7) is not in the Russian'CSLA 23.

by connected space launch services providers from markat economy countries, including the United States.

to provide commercial space launch services at a price providers to provide commercial space launch services at a price more than aswan and one-half (7.5) percent below the lowest bid er offer by a commercial space launch service provider from a market sconosy country, including the United States, shell require special consultations between the Percies under Article VII, paragraph 2, of this Agressent.

24.

ANTICLS VI

TECHNOLOGY CONTROLS

7.7.

1. Motvithstanding any other provision of this Agressent. the Parties shall negotiate and conclude prior to each launch a satisfactory technology safequards agressent for each paylost subject to a United States argort license. Such technology safeguards agressent vill be intended to facilitate the issuence of United States export licenses and shall include requirement stately to the control of the transfer of sissila technology.

2. Any application for a United States export license vill be raviewed on a case-by-case basis consistent vith United States laws and requiations. Mothing in this Agressent shall be construed to man that the United States is constrained from taking appropriate action with respect to any United States apport license. The United States will use its best efforts to assure, consistent with United States and requiations.

this Agreement have been violated, the U.S. reserves its right to take any action permitted under U.S. laws and regulations. The U.S. shall seek to avoid actions inconsistent with this Agreement.

2. With regard to export licenses, any application for a U.S. export license will be reviewed on a case-by-case basis consistent with U.S. laws and regulations. Nothing in this Agreement shall be construct to sean that the U.S. is constrained from taking any appropriate action with respect to any U.S. export license, consistent with U.S. laws and regulations. Nevertheless, the U.S. will do its utmost to assure, consistent with U.S. laws and regulations. Advertheless, the U.S. will do its utmost to assure, consistent with U.S. laws and regulations of the transactions covered in such license(s).

VI. UISCUSSIONS ON INTERNATIONAL HULES

The U.L. and the PRC are prepared to enter into discussions with other interestivit parties on comprehensive international tules with respect to government involvement in, and other satters relating to, the international market for connected baunch services. It is understood, however, that nothing in his Agreement shall prejudice any position on any issue that either the U.S. or the PRC may take in those discussions.

24.

VII. CORPREHENSIVE REVIEW

The U.S. and the PRC shall engage in a comprehensive ceview of the terms and operation of this Agreement beginning in September 1991.

24. 7.5% vice "on par" outlined in the PRC CSLA

5. Technology Controls is unique to the Russian CSLA and calls for the development of a technology safeguards agreement. It also outlines provisions for the review of each export license.

24. Para VI is unique to the PRC CSLA

authorization and completion of technology transfers subject to this Agreement.

COMBULTATIONS MITTELS TIL

- Agreement and market developments in commercial space launch 1. The Perties shall hold requier consultations on an annual basis to raview and examine implementation of the services.
- commercial space launch services if possible, at the request of contract of panding contract is inconsistent with the terms of either Party, if that Party has resson to beliave that such 3. The Parties shall hold special consultations on an urgent besis, prior to the conclusion of a contract for this Agreement.

26.

- 3. If, after consultations provided for under this Article, have been violated by the other Party, each Perty Feserves its right to take any ention permitted under its netional laws and either Party determines that the provisions of this Agreement regulations.
- for commercial space launch estwices has developed nore favorably Party's compliance with terms of this Agreement, the quotes set perspreph 1 of this Article, the Pertiss spres that the serbet than anticipated and if each Party is satisfied with the other 4. If, in the course of the annual reviews provided in

- 27.

VIII. CHTEX INTO FORCE

to the Peopla's Republic of China for launch therein, has been approved. Unless extended by agreement of the PRC and the U.S., matters relating to, the international market to commercial launch services or under such other circumstances as may be export of the ASIASAT or AUSSAT satellite(s), or any other satellite. this Agreement shall terminate on December 31, 1994. It may be terminated at any time by mutual agreement it sujecteded by an international agreement on government involvement in, and other This Agreement shall enter into force upon notification by the Government of the United States of America to the Coveriment of the People's Republic of China that a U.S. license for the mutually agreed. . IN MITHESS MKEREOF, the undersigned, being duly suthorized by their respective Governments, have signed this Agreement.

languages, both tests being equally authorite this turnty-sixth DONE of hashington, D.C., in duplicate, to the English and Chinese day of January, 1989.

For the Government of the United States of America:

tor the Givernment of the People's Republic of Chinas

specified as in the PRC CSLA, but noted: "on an urgent No time Special note of "special consultations". 26.

change the quotas. The notification and implementation Both the Russian and PRC CSLA make provisions to however, are characterized differently. 27.

license approval vice upon signature as outlined Entry into force is based upon notification of in the Russian CSLA 25.

possible termination as outlined in the Russian a review three years after signature and then Agreement may be "terminated at anytime" vice 26.

10 forth in Article IV of this Agreement may be increased, by written agreement of the Pertise.

AATICLS VIII

INTORNATION EXCENSES

28

- 1. The Parties shall exchange all information, including frices, terms and conditions offered for consercial space launch services, that is necessary to monitor implementation of the Agressent and carry out regular and special consultations. Such information shall be provided promptly, in any case no later than 30 days after receipt of a request by the other Party for such information, except that such information need not be provided prior to bide for commercial space launch services.
- 1. Parties shall protect the confidentiality of inforation exchanged, shall not use any such inforation for pscuniary gain and shall not release such inforation to third parties.

PRINCES IN

דבושו מעו אנפון

- 1. This Agreement shall entar into force upon signature and 4 29. reamin in force until December 11, 2000.

 2. The Parties shall review the implementation of this 4 30.
 - Agreement after three years from its entry into force. Pelloving such review, the Parties may, by mutual written agreement.

- 28. Article VIII is unique to the Russian CSLA
- Agreement shall enter into force "upon signature" vice notification o license approval as outlined in the PRC CSLA
- 30. Agreement may be terminated after three years (mutual agreement) vice "termin ted at anytime as outlined in the PRC CSLA

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ANDLE

The following agreed definitions constitute an integral part of the Memorandum of Agreement Between the Government of the United States of America and the Covernment of the Propile's Republic of China Requising International Trade in Connecretal Launch Services of January 26, 1989.

- 1. The term "commercial launch services" releas to any commercially provided launch of any satellite. Including communications ratellites, for an international customer.
- The term "communications satellite" tofers to any satellite which is a primary payload of a launch, and which provides telecommunications services. It refers primarily to, but is not limited to, communications satellites in grostationary orbit.

29.

28

- . The term 'international customer' refers to the following:
- (a) any intificution of business entity, other than those institutions or entities located within the territory of the PRC and owned or controlled by PRC nationals; or
 - (b) any government other than that of the PAC; or
- (c) any international organization or quasi-governmental consortium;

- 27. Annex of Definitations vice embodied in the text of the Agreement as in the Russian CSLA
- 28. Russian CSLA reads "... refers to any commercially offered br provided ... including but not limited to.
- 29. The PRC CSLA again emphasizes COMSATS.

 Absent from the PRC CSLA is a definition of "launch service providers."

which is the ultimate owner or operator of a satellite or which,

3. Either Perty may request negotiations to exend the terms progress in the transition of Russia's space launch sector to a international market for compercial opate launch services and of this Agreement to take account of developments in the narkat basis.

expiration date of this Agreement. Termination of this Agreement will continue to be subject to the provisions of this Agreement 4. Any contract entered into pursuant to this Agreement even if the duration of the contract extends beyond the will not affact contracts entered into pursuent to this Agreement.

duplicate in the English and Russian languages, both texts being DOME at Washington this second day of September, 1893, in equally authentic.

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THE RUSSIAN CENTRALION

economies.

in Atticke 11 (b)(i) refers to practices by governments of mainer i. The term "practices prevailing in the international mrises" will deliver the satellite to such ultimate owner or operator.

and conditions and the schedule for progress payments offered to international customers by commercial launch service providers in international market for comparable baunch services" in Article it (b)(ii) includes but is not limited to prices, finencing terms 5. The teem "prices, terms, and conditions prevailing in the market economics. Covernment "inducements" with respect to particular launch services transactions include, but are not limited to, unreasonable political pressure, the provision of any resources of compercial value unrelated to the launch service competition and offers of favorable treatment under or access to: defense and national secutity policies and programs, development assistance policies and programs, and general economic politics and programs. (e.g., trade, Investment, debt, and foreign exchange policiesi.

custoner with PAC providers of connercial launch services to launch a communications satellite, which effectively temoves the The term "commitment" means any agreement by an international

market" vice "comparable commercial space Launch "Practices preveiling in the international services" as outlined in the Russian CSLA 30.

Different term "commitment" vice "contract" as Commitment goes so far as explaining that it does not include outlined in the Russian CSLA. launch reservation agreements 31.

launch from international commercial competition. The term 'commitment' does not include reservation agreements.

There is no definition of "Geosynchronous earth orbit", Geosynchronous Transfer Orbit", low earth orbit" or "principal payload" 32.